

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

June 11, 1927.

Vol. V, No. 12.

PROGRAM FOR THIRD SESSION OF COOPERATIVE INSTITUTE

Copies of the detailed announcement of the third summer session of the American Institute of Cooperation are now available for distribution. The first summer session was held in Philadelphia in cooperation with the University of Pennsylvania in July and August of 1925. The second session was held in cooperation with the University of Minnesota in June and July of 1926, and the third session will be held in cooperation with the Northwestern University, Chicago, beginning June 20 and continuing until July 16, 1927.

Among the features of the 1927 session are six special credit courses in the economics of cooperation, a special short course in accountancy problems of cooperative grain elevators, three days of conferences by the members of the association of cooperative marketing attorneys, conference of accountants serving cooperative associations, and three days of conferences by publicity men connected with the cooperatives and by the editors of publications owned by cooperatives and farm organizations.

The titles of the credit courses are as follows: Terminal Market Functions and the Cooperative Association, Organization and Membership Problems of the California Cooperative Associations, Price Objectives of Cooperative Associations, Problems of Cooperative Dairy Marketing, Cooperative Management Problems, Conference on Methods and Problems of Cooperation.

The short course in accountancy problems of cooperative grain elevators will consist of lectures, discussions and laboratory exercises, continuing for five days. The course will be directed by the management of the Illinois Agricultural Cooperatives Association, Chicago.

A number of questions vital to cooperatives are to be considered by the attorneys working with the associations. Among these are the questions of additional legislation, transactions with nonmembers, merits and demerits of certificates of indebtedness, purchase and sale contracts, and liquidated damages.

The subjects listed for discussion at the conference of publicity workers are: Membership Information Problems, Reaching the Consumer, and Special Problems of the Official Organ.

COLORADO MELON GROWERS OPERATE ECONOMICALLY

During the 1926 season the Crowley County Melon Growers' Association, Ordway, Colo., shipped 107 cars containing 68,000 crates of pink meats and honey dews. Sales amounted to \$81,800, of which the association retained as its commission \$8,180; growers received \$44,000, and \$29,620 went to the receivers and carriers. The 10 per cent deduction paid all expenses, including salaries, and left \$3,000 for the sinking fund. Net prices to growers averaged 43 cents per crate for pink meats and 48.5 cents for honey dews.

-----0-----

MUTUAL ORANGE DISTRIBUTORS BUILDING HEADQUARTERS

Construction of a new headquarters building has been begun by the Mutual Orange Distributors, Redlands, Calif. While the association has had general offices in Redlands for many years it was only recently decided that its permanent headquarters should be located there. The new building is to cost about \$50,000 and is being erected on a rental payment plan, thereby relieving the grower-members of any additional burden.

Since its organization in 1906, the Mutual Orange Distributors has grown steadily until its 1927-28 tonnage is estimated at 10,000 cars.

-----0-----

CALIFORNIA PEARS ADVERTISED WITH BREAKFAST FOOD

A joint advertising campaign by the California Pear Growers' Association, San Francisco, and a well known, breakfast-food manufacturer is being conducted on a nation-wide basis. The pear growers are employing this means of moving into consumption the large surplus of canned pears on hand at the close of the 1926 season in order that there may be a demand for the pears of the 1927 crop which will be ready to put in cans in two or three months. The breakfast-food manufacturer believes that the demand for his product will be greatly stimulated by pointing out that it can be made very tempting by combining it with canned Bartlett pears.

Two hundred thousand pieces of lithographed advertising matter have been distributed to attract the attention of possible consumers. Of the total, 50,000 pieces were one-sheet posters in eight colors.

In addition to the printed material distributed, salesmen have visited thousands of retail stores and aided in the arrangement of displays and in the placing of special advertising material.

The entire sales organization of the breakfast-food manufacturer, consisting of about 600 specialists, is being used to promote the sale of the two products.

CALIFORNIA ASSOCIATION STIMULATES DEMAND FOR CITRUS FRUITS

Sunkist electrical fruit-juice extractors to the number of 37,337 had been sold up to May 1, 1927, by the California Fruit Growers' Exchange, Los Angeles, through its advertising department. During the six months preceding May 1, 3,514 extractors had been sold. It is estimated by the management of the Exchange that by means of the 37,000 extractors now in use, 1,250 carloads of Sunkist lemons and 3,750 carloads of Sunkist oranges will be transformed into lemonade and orangeade during the summer of 1927.

From six to ten salesmen are employed in calling on the jobbers and retailers in the United States and Canada in connection with the sale of juice extractors. Fountain owners, hospitals, hotels, clubs and restaurants are visited in carrying forward the selling campaign.

The sale of juice extractors is but one of the activities of the advertising department of the Exchange, which department is responsible for stimulating the demand for Sunkist fruit.

The records of the Exchange show that 22 years ago a sum "not to exceed \$250" was authorized for the purpose of advertising Exchange fruit in England and Continental Europe. The first recorded advertising appropriation was voted by the board of directors in 1907. About \$6,000 was expended in Iowa with results so favorable "that the following year \$25,000 was voted for advertising." The Sunkist trade-mark was adopted in 1908.

Since 1907 the advertising department of the Exchange has developed from a one-man unit to an organization equipped to plan and direct many and various campaigns for stimulating consumption of oranges and lemons. In addition to magazine and newspaper advertising, booklets, pamphlets, and other educational material are prepared and distributed among dealers numbering approximately 115,000. During the 1925-6 season 345,790 pieces of outgoing mail were forwarded in response to consumer and educational requests.

In 1915 the dealer-service section of the advertising department was created for the purpose of assisting dealers to make sales of Sunkist fruits. To-day about 75,000 dealers in the United States and Canada are reached annually and given personal assistance.

Regarding the advertising policy of the Exchange the management has made the following statement:

The original plan of primary advertising (1) to increase consumer demand, (2) to direct this demand to California citrus fruits, particularly Sunkist, and (3) to widen distribution and improve standards, is still adhered to, indicating the soundness of the fundamental educational advertising policy.

BRITISH COLUMBIA FRUIT COOPERATIVE ADVISES GROWERS

A campaign to reduce the nummber of varieties of fruit forwarded to market is being conducted by the Associated Growers of British Columbia, Ltd., Vernon, Canada. During the past month meetings have been held with the members of local units. The varieties which are being recommended to the growers are: Cherries, Bing, Lambert, Deacon, Windsor, and Royal Anne; apricots, Moorpark; peaches, Elberta, Early Crawford and J. H. Hale; plums; Tragedy, Reine Claude, Bradshaw, Burbank, Grand Duke, Peaches, Pond's Seedlings, Dawson, Green Gage, Purple Gage, and Imperial Gage; pears, Bartlett, Anjou and Bosc; crabs, Transcedent and Hyslop.

A number of other varieties of fruit will be handled under the association's trade-mark, provided the fruit is of high quality.

However, the grower members of the association are being urged to top work their trees so as to produce the varieties of fruit listed.

-----0-----

OREGON GROWERS SPECIALIZE IN RED RASPBERRIES

A cash turnover of \$646,614 for the year ending March 31, 1927, was reported by the Berry Growers' Packing Company, Gresham, Oregon. The total quantity of fruit handled was 5,753,973 pounds, of which more than three million pounds were red raspberries. The various fruits were handled in the following quantities:

Strawberries	851,134	pounds
Red raspberries.....	3,286,055	"
Loganberries	542,355	"
Blackberries	294,984	"
Blackcaps	11,875	"
Bartlett pears	176,797	"
Prunes	112,839	"
Apples	61,370	"
Gooseberries	7,275	"
R. A. cherries	341,102	"
Black cherries	68,089	"
Currants	98	"

Of the total quantity, 5,265,183 pounds were handled for members and 483,805 pounds for nonmembers. A small quantity of fruit was sold outside the association on permits. As heretofore a very large quantity of the fruit was barreled and frozen.

Returns to growers amounted to \$444,880 with full disrtibution on pears and prunes still to be made. Manufacturing supplies were handled to the amount of \$70,997. Expenses amounted to \$19,560, and miscellaneous income came to \$3,503, leaving the net expenses for the year \$16,056.

EQUITY UNION GRAIN COMPANY INCREASES CAPITAL STOCK

More than 700 of the outstanding 750 shares of capital stock of the Equity Union Grain Company were represented at the annual meeting held at Kansas City, on May 17.

It was voted at this meeting to amend the articles of incorporation to increase the authorized capital from \$75,000 to \$125,000. This increase will admit of the taking into the company a number of additional local exchanges which will mean increased business.

-----0-----

SOVIET REPORT TO INTERNATIONAL WHEAT POOL CONFERENCE

The report of the Soviet delegation to the International Wheat Pool Conference, held at Kansas City, Mo., May 5 to 7, 1927, has been published in a bulletin entitled "Grain Trade, Cooperatives and Grain Exports of the Soviet Union." The information is presented under the following headings: 1. Present state of grain culture in the U.S.S.R. (Russia); 2. Organization and state of the grain trade in the U.S.S.R. 3. The cooperative movement in the U.S.S.R. -- Its importance in the national economy and particularly in the grain trade. 4. Grain exports of the U.S.S.R.

-----0-----

NEW ELEVATORS AND NEW CONTRACTS FOR MANITOBA WHEAT POOL

A report made by the management of the Manitoba Pool Elevators, Ltd., Winnipeg, states that the 30 pool elevators operated in behalf of the Manitoba Cooperative Wheat Producers, Ltd., handled during the past season, 5,409,763 bushels of grain. This is an average of 180,325 bushels per elevator. Two of the elevators handled over 300,000 bushels each and seven, over 250,000 bushels each. Additional elevators for use in handling the 1927 pool grain are being established at nearly twenty points in Manitoba. It is estimated that there will be country elevators under the control of this farmers' grain marketing association at about fifty points when the 1927 crop begins to move toward the terminal markets.

A re-sign-up campaign is being conducted by the members of the Manitoba Cooperative Wheat Producers' Ltd. that the life of the association may be assured for the years of the immediate future. According to a statement of the management, 13,640 wheat pool contracts expire with the marketing of the 1927 crop. It is proposed to renew these, also to canvass for new contracts. As there are 9,200 coarse-grain pool contracts which do not expire until 1929, about 4,000 that do not expire until 1930, and 3,668 wheat pool contracts that do not expire until 1930, there is already a substantial nucleus around which to build a large membership for the 1928 crop.

NEW ENGLAND COOPERATIVE OPENS NEW OFFICE

Officials of the New England Milk Producers' Association, Boston, have decided to open an office in Springfield, Mass., in charge of the manager of the western market district. From this office will be directed the market and field work in the Worcester, Springfield, Greenfield and Holyoke markets and also a portion of the territory in the eastern part of New York State.

-----0-----

ORLEANS CREAMERY TO OPEN BRANCH IN DENVER

The Farmers' Equity Creamery, Orleans, Nebr., has arranged to open a branch creamery in Denver for the manufacture of butter and dried buttermilk. A building has been leased and is being remodeled and equipped. It is now expected that it will be ready to begin churning on or before the first of July, thus furnishing a new market for the cream producers in that territory.

-----0-----

NEW ASSOCIATION OF MILK SHIPPERS IN BRITISH COLUMBIA

A new association of milk producers has been formed in the Fraser Valley of British Columbia to bring together the producers who for different reasons were not connected with the existing organization. It is planned that the two organizations shall work together marketing the milk supply of the valley. The new association is known as the Independent Cooperative Milk Producers' Association, and its headquarters are at Chilliwack, B. C. It was estimated that approximately 300 shippers were outside the old association, and about two-thirds of this number have signed up with the new organization.

-----0-----

MILK ASSOCIATION CANCELS INDEBTEDNESS

The last \$2,500 of indebtedness for its \$50,000 plant was paid by the Cooperative Milk Producers' Association, Harrisonburg, Va., the middle of May. This plant has been paid for in less than five years by the three or four hundred members of the association, by means of deductions which were placed in a revolving capital fund. The plant is owned by the members delivering milk, the equity of each being in proportion to the amount deducted on the returns for milk delivered, less the amount already refunded to them. While paying for its building and equipment the association has stabilized local prices of milk and cream and has been largely responsible for a more satisfactory price level for producers.

ARKANSAS COTTON ASSOCIATION ADDS SHORT-TIME POOLS

Additional service in the form of short-time pools is to be given to its members this season by the Arkansas Cotton Growers' Cooperative Association, Little Rock. After five years of operation the management was convinced that the seasonal pools did not fit the needs of all the farmers in the state and, therefore, authorized an amendment to the contract providing for pools of shorter duration than an entire season. This was done to meet the needs of farmers who want full settlement for their cotton on fixed dates. Before deciding upon the change the directors collected all possible information, studied the contracts of associations which had already established short-time pools, and considered the views of bankers, merchants, members, and nonmembers.

Five pools are recommended as follows: A. For the entire season, to be handled the same as heretofore. B. From the beginning of the season to October 15, settlement to be made as soon thereafter as possible. C. To close December 15, settlement to be made as soon as possible after that date. D. To close February 15, settlement to be made early in March. X. An optional pool.

The optional pool is for the benefit of members who are undecided in which pool they wish their cotton placed. Cotton from this pool may be transferred to any pool that has not closed, upon written request of the owner. At time of shipment each owner must designate in which of the five pools he wishes his cotton to be placed.

Final settlement for 1925 cotton was mailed to members in May and the management expects to be able to make settlement for 1926 cotton early in June. The 1926 deliveries were handled in 403 pools and net prices to growers ranged from 6.05 cents to 24.30 cents a pound. Expenses for the season amounted to 1.12 cents per pound, distributed as follows:

	Cents per lb.	Dollars per bale *
Interest and insurance.....	0.14	0.70
Storage and freight.....	0.29	1.45
Office and operating.....	0.69	3.45
<u>Total.....</u>	1.12	5.60

* Five hundred pounds

A two per cent reserve was deducted from the net returns of each member and placed to his credit. The reserve built up through this means is available for working capital. Eventually it is to be returned to the grower members.

The Arkansas Cotton Growers' Cooperative Association is to have a part in the crop reporting service established by the American Cotton Growers' Exchange, Memphis, and members are being designated to act as crop reporters in their own counties.

TENNESSEE COTTON ASSOCIATION SUBMITS A BUDGET

A budget of expenses has been prepared by the management of the Tennessee Cotton Growers' Association, Memphis, for the 1927-28 season. The actual expenditures for the 1926-27 season were used as a basis, except that it was estimated that about 50 per cent more cotton would be delivered to the association the coming season than was delivered the past season. The estimated per bale cost of the different services for the season as set forth in the budget are as follows:

Directors.....	\$.0833
General management2787
Legal0400
Finance0050
Assembling0375
Classing2877
General office	<u>.9770</u>
Total	\$1.7092

---0---

GEORGIA COTTON ASSOCIATION MAKES FINAL PAYMENT

Checks to the amount of \$1,377,288 were mailed recently to the members of the Georgia Cotton Growers' Cooperative Association, Atlanta, in final settlement for cotton of the 1926-27 crop marketed through the organization. The net payment to the growers was on the basis of 12.65 cents a pound for middling white cotton, 7/8 of an inch to 1 inch in length. Deductions for expenses amounted to 1.14 cents a pound. These deductions included storage, insurance, interest, grading, selling, accounting, field service, and general administration.

The management in its report to the membership stated that 95 per cent of the association cotton sold in this country went directly to the mills. At the time of preparing the final statement all but 2,200 bales had been sold. During the marketing season advances to the amount of \$3,000,000 were made to growers delivering cotton.

Nearly 430,000 bales of cotton have been handled by the organization since it began functioning in 1922. The number of bales received during the several seasons is as follows:

<u>Season</u>	<u>Bales</u>
1922-23	53,942
1923-24	70,812
1924-25	105,861
1925-26	113,597
1926-27	85,594

FIVE YEARS OF COOPERATIVE LIVESTOCK SELLING

Livestock sales agencies affiliated with the National Live stock Producers' Association and operating on 13 terminal markets handled 4,854,549 animals during 1926, according to the recently issued annual report. Of the 13 agencies the one operating upon the East St. Louis market handled the largest number of animals, the Chicago Producers' Commission Association handled the second largest number, and the Producers' Commission Association at Indianapolis, the third largest number. The Chicago Commission was first in number of cattle handled, the Indianapolis agency was first in number of calves, East St. Louis first in number of hogs and Chicago first in number of sheep, as will be noted by the figures for 1926 given below:

Market	Cattle	Calves	Hogs	Sheep	Total
Buffalo	12,365	39,407	242,296	171,056	465,124
Chicago	104,046	23,521	547,200	290,720	965,487
Cincinnati	15,421	21,004	152,377	24,194	218,996
Cleveland	20,098	34,192	163,853	91,379	310,022
Detroit*	22,304	41,723	99,115	97,758	260,900
East St. Louis	101,131	71,483	706,183	91,901	970,698
Evansville	12,588	12,694	79,073	4,578	108,933
Fort Worth	71,332	38,151	5,174	9,329	123,986
Indianapolis	54,876	59,943	488,553	45,970	649,342
Kansas City	56,764	8,659	99,219	43,996	208,638
Peoria	4,687	8,353	158,520	1,729	173,489
Pittsburg	7,014	19,604	117,410	69,998	214,026
Scuix City	29,592	4,321	120,216	6,006	160,137
Toledo**	876	1,806	20,268	1,821	24,771
Total	513,294	384,861	3,005,459	950,935	4,854,549

* Affiliated with National Live Stock Producers' Association,
May 1, 1926.

** Operated as a branch of the Cleveland agency.

The first of the Producer Associations began operating at the East St. Louis market on January 2, 1922. Since that date livestock equivalent to 317,652 carloads has been sold and livestock equivalent to 11,059 carloads has been purchased for farmers. The sales value of the animals sold and bought during the five years 1922-26 is given as more than one-half billion dollars.

The increase in the number of animals handled has been from 1,259,735 to 4,854,549 for the five years. A larger number of sheep was handled in 1926 than in any of the four preceeding years. Fewer hogs were received in 1926 than in any other three preceding years. The number of cattle in 1926 was second to the number handled in 1924.

Year	Agencies operating	Cattle	Calves	Hogs	Sheep	Total
1922	6	90,612	49,737	1,019,859	99,527	1,259,735
1923	14	411,077	276,487	3,797,315	421,730	4,906,609
1924	13	581,662	431,666	4,801,004	713,659	6,527,991
1925	14	465,637	346,009	3,336,842	701,230	4,849,718
1926	13	513,294	384,861	3,005,459	950,935	4,854,549

Earnings, which are commissions less market expense, have varied from \$94,749 in 1922 to \$424,986 in 1924. The earnings for 1926 were \$172,228. A considerable portion of the earnings are used in making patronage refunds.

Year	Number of agencies reporting	Values of livestock handled*	Commissions	Market expense	Earnings**
1922	6	\$27,096,730	***\$317,712	\$ 222,963	\$94,749
1923	14	91,568,957	1,208,727	800,810	407,917
1924	13	122,728,194	1,526,903	1,101,917	424,986
1925	14	126,524,313	1,202,760	989,699	213,061
1926	13	134,259,005	1,237,821	1,065,593	172,228

* Including sales and purchases.

** Commissions less market expense.

***Not including November and December figures for Buffalo.

About 26 per cent of all animals received by the Producers' agencies came from Illinois, 20 per cent from Indiana, 12 per cent from Iowa 10 per cent from Missouri, and 9 per cent from Ohio.

Among the special activities of the affiliated associations for 1926 was a lamb pool in the fall. A total of 145,032 lambs selected on ranches in Montana, Nevada, Colorado, Wyoming, New Mexico, and Texas were consigned to 353 farmers in 11 states.

A total of 11,200 head was handled in the cattle pool in the fall. These animals were obtained in Texas and Nebraska, and shipped direct to farmers in the Corn Belt for feeding.

TWENTY-FOUR POULTRY POOLS IN OHIO

Egg receipts by the Ohio Poultry Producers' Cooperative Association, Wauseon, Ohio, during 1926, were handled in 24 semi-monthly pools. Returns to members of the association varied from 20 cents a dozen for the lowest grade of eggs in the spring to 63 cents for the best grade in November. At times the spread between the best eggs and the poorest eggs was more than 20 cents a dozen. The quantity of eggs falling into the highest grade varied from 32 per cent in November to 64 per cent in February, March and April.

-----0-----

TURKEY MARKETING ASSOCIATION IN COLORADO

Turkeys valued at from \$30,000 to \$50,000 a year are being marketed cooperatively by the Holbrook Turkey Growers' Association in southern Colorado. This organization, which was formed in 1922, is serving about 250 farmers. According to the rules and regulations signed upon becoming a member, the producer pays a membership fee of \$1 and agrees to pay 25 cents for each bird which he lists for sale through the association and does not deliver at time of shipment. Each shipment is a separate pool in that the proceeds of sale, after the payment of expenses, are prorated among those who had birds in the shipment.

-----0-----

POULTRY ASSOCIATION HANDLES FEEDS EXTENSIVELY

In the first three months of 1927 the Poultry Producers of Central California, San Francisco, sold 11,120 tons of feed. Sales in March exceeded February sales by 978 tons, and the increased tonnage resulted in decreasing the general cost of handling by 4 per cent. Many poultrymen are learning that by planning in advance they can pay for their feed in 15 days.

Working capital in the egg department, accumulated from one per cent deductions on eggs, amounted to \$609,337 on May 1, and in the feed department, \$212,246, making the total working capital on that date \$821,583. The excess in the egg department above \$500,000 will be refunded to members at the close of this year.

More than 400 poultrymen came into the association during the first four months of this year, increasing the number of hens by about 400,000, and bringing the total number of hens belonging to members of the association to 3,500,000.

The poultry department began operations in March of last year. During the first four months of this year it sold 96,135 pounds of dressed poultry and 267,544 pounds of live poultry.

PACIFIC ASSOCIATION SELLS WOOL DIRECT TO MILLS

Ninety-four per cent of the wool handled last year by the Pacific Cooperative Wool Growers, Portland, Oreg., was sold direct to mills, according to a report recently issued by the management. Twenty-four hundred members now market their wool through this association. In the month of March 73 new members were added to the rolls, and 91 in April, while new names were reported to be coming in at about the same rate in May. Many of the new members are farm-flock growers of Oregon and Idaho.

Representatives of the association have held a number of wool-grading demonstrations in California, also a series of sheepmen's meetings in southern Oregon with the assistance of the animal husbandry department of the Oregon Agricultural College.

A wool and mohair exhibit is planned by the association, in connection with the Pacific International Livestock Exposition to be held in Portland in the fall. It is proposed to have on display fleeces from many of the Western States, and to make the wool show one of the big features of the exposition.

-----0-----

STEADY DEVELOPMENT REPORTED BY ENGLISH WOOL GROWERS

Continued growth by the Kent Wool Growers, Ltd., Ashford, Kent, England, is shown by the seventh annual report for the year ending January 31, 1927. Figures indicating the development of the organization are given in the table below:

Year	Number of members	Amount of capital	Number of fleeces	Net sales value	Overhead charges per lb. (d).
1920	75	£ 611	25,000	£12,500	1 $\frac{3}{4}$
1921	101	688	25,500	8,500	1 $\frac{1}{2}$
1922	165	894	45,000	16,501	1 $\frac{1}{4}$
1923	407	1,517	95,000	51,617	1
1924	501	1,813	120,000	74,418	$\frac{3}{4}$
1925	705	2,201	149,500	71,888	$\frac{5}{8}$
1926	765	2,298	163,000	76,727	$\frac{3}{4}$

The 163,000 fleeces handled in 1926 amounted to about 610 tons, or 60 tons more than the quantity handled in 1925. The management is convinced that graded wool sold in bulk will always bring a better price than exactly the same wool sold ungraded in small quantities.

(See also Agricultural Cooperation, June 8, 1925, p. 248.)

EXCESS ADVANCES MAY BE RECOVERED

In the case of California Bean Growers' Association v. Williams, decided by the Supreme Court of California on April 21, 1927, 255 P. 751, it appeared that the association brought suit to recover excess advances made by it to the defendant over and above the net receipts from defendant's crop of beans which was marketed by the association as the agent of the defendant. Over two years prior to bringing the suit the association rendered a statement of account to the defendant which stated that the defendant owed the association \$314.18. The association brought suit on this statement for the amount named, claiming that it amounted to an account stated. In the trial court the defendant prevailed and the association appealed. The trial court refused to admit the statement of account in evidence. The Supreme Court held that this was an error and pointed out that the defendant had had the statement of account in his possession for over two years prior to the filing of the suit and that he had made no objection thereto. In this connection the court said:

In the case at bar, as we have said, there were no objections raised by the defendant to the account rendered by the association, and, while it is held that the defendant must consent to the account in order to make it a stated account, it is now well settled that such consent may be implied, where the defendant, after the receipt of account, waits for 'an unreasonable time before making or without making any objection thereto.'

Although the contract specified that the actual cost of cleaning the beans of defendant would be charged him, the trial court refused to admit testimony supporting the item appearing on the statement of account with respect to this matter but ruled that the expenses incident to the cleaning of defendant's beans must be pooled. In this connection the court said with respect to this and one or two other analogous matters:

The agreement does not provide for pooling freight charges, cleaning charges, etc., of the bean grower by the respective growers. This, for the evident reason that one lot of beans may be produced at a long distance from a warehouse and the freight and drayage charges much greater than in other instances. Likewise, with regard to the cleaning charges, some beans are clean and some are foul and the expenses, or, as said in the agreement, the actual costs of cleaning beans grown by different growers under different conditions might vary to such an extent that it would

be inequitable to charge one grower whose crop was clean and whose drayage and freight charges were light with the cost and expenses of cleaning a crop grown by a grower that was foul and whose freight and drayage charges, by reason of distance, might be much greater. The overhead charges of marketing, insurance, etc., were pooled, because these charges were burdens upon all the beans handled and might very well be proportionally charged against the different growers, but whatever the reason for the drawing of the contract, the contract provides for the grower paying the actual costs, and therefore testimony as to such actual costs should have been admitted, irrespective of whether the contract should or should not have so provided.

The court further said:

Again the contract provides that the beans were to be sold at the reasonable and fair prices obtainable by the association in the open markets or elsewhere, etc., which clearly admitted testimony as to where the beans were sold and as to the prices received therefor, and that the prices were reasonable and fair prices for the kind of beans being marketed, and if the beans were not sold for the full market value then prevailing for the class of beans marketed, it might be that the association would be chargeable for having sold the beans for less than the market value. This, however, constitutes no reason for excluding testimony as to the sum realized on the sale of the defendant's beans and testimony as to where they were sold and the conditions under which they were sold.

On account of the errors of the trial court the judgment thereof was reversed.

The courts generally uphold the right of an association or selling agency to recover excess advances. In this connection see: *Re Joseph Murphy Company*, 214 Pa. 258, 63 Atl. 745, 5 L. R. A. (N.S.) 1147; *Natoma v. Schultze* (Kan.), 212 P. 670; *California Raisin Growers' Association v. Abbott*, 160 Cal. 601, 117 P. 767; *Sugar Loaf Orange Growers Assn. v. Shewes*, 47 Cal. App. 470, 190 P. 1076.

L. S. Hulbert.

COUNTY FARM BUREAU NOT BOUND BY UNAUTHORIZED CONTRACT

On April 1, 1927, the Supreme Court of Michigan decided the case of David Stott Flour Mills v. Saginaw County Farm Bureau, 213 N. W. 147, in favor of the farm bureau. The plaintiff is a corporation engaged in the manufacture of flour. The defendant is a corporation organized under the laws of Michigan as a nonprofit corporation. It appeared that one A. G. Bovay entered into three contracts on different dates with the plaintiff, each one of which he executed on behalf of the defendant, two after its incorporation and one before. The plaintiff claimed that the defendant had received and paid for 250 barrels of flour under the first contract, and had received 45 barrels of flour under the second contract and had paid a part of the purchase price therefor. The plaintiff alleged that the defendant refused to accept delivery of the balance of the flour called for by the contracts and brought suit to recover damages on account thereof. Defendant alleged, and offered testimony to the effect that Bovay had no authority to enter into any of the contracts for and on behalf of the farm bureau. In this connection the court said:

The affairs of the defendant company were, under its articles and by-laws, in the hands of an executive committee, composed of its president, vice president, secretary-treasurer, and four members, "all of whom shall actually be engaged in farming," to be elected by the board of delegates at its annual meeting. This committee was empowered "to appoint and employ such agents as may be necessary for the conduct of its affairs." There is no evidence that Bovay was ever appointed or employed to perform any service for the defendant. He received no compensation from it. He was what is known as "county agricultural agent" for the county of Saginaw, and was paid for the service rendered by him, in part, by the State of Michigan, in part by the Federal Government, and in part by the county of Saginaw. His duties were educational -- to cooperate with the state farm bureau and the defendant in such matters as relate to farming, and to aid the farmers of the county by advice and suggestions as to the cultivation of their crops, raising of stock, the importance of using pure seed, and other matters of like nature.

The lower court held in favor of the defendant, and the plaintiff appealed. The plaintiff claimed that it was entitled to a peremptory instruction by the trial judge, to the jury, that the defendant was estopped from denying the authority of Bovay to execute the contracts. The Supreme Court, however, held that the trial court properly submitted the issue of Bovay's authority to the jury. In this connection the court approvingly quoted the following rule:

There must be conduct calculated to mislead, and it must be under circumstances which justify the claim that the alleged principal should have expected that the representations would be relied and acted upon; and, further, it must appear that they were relied and acted upon, in good faith, to the injury of an innocent party.

The court further said:

Neither of plaintiff's salesmen who participated in the making of these contracts testified to any facts relating to Bovay's authority to bind the defendant, on which they relied.

The plaintiff further contended that the farm bureau had ratified the contracts, because payments were made thereon. In this connection the court said:

There was no acceptance of flour by any of the officials of the company, now were any payments made by the defendant with the knowledge of such officials. Defendant's books show that a check for \$100, dated February 15, 1921, and one for \$100, dated March 25, 1921, were sent to the plaintiff and charged up to salable supplies.

It is quite apparent that the farm bureau prevailed in the suit because the court found that it neither authorized the making of contracts in advance, nor ratified them thereafter. A corporation may act only through agents or employees and unless such agents or employees have been authorized by the corporation to bind it, or unless the corporation thereafter ratifies the unauthorized acts, it is not bound by them. Generally speaking, the authorization or ratification may be implied from facts and circumstances. In the case of First National Bank v. Equipment Co., decided by the Kansas City Court of Appeals, (Missouri) 285 S. W. 779, it is said:

Reasoning from the rules declared in these citations, we must hold that even a positive showing that Mayers was the president of the defendant company at the time the note was executed will not avail plaintiff, unless it also be shown that Mayers was clothed with authority to borrow money and execute notes therefor for defendant.

Authority for the acts of the officers, the manager or other agents of an association on its behalf ordinarily should be found in its by-laws or the minutes of its board of directors.

ARKANSAS RICE ASSOCIATION STARTS UNDER NEW CONTRACT

Directors were elected for the reincorporated Arkansas Rice Growers Cooperative Association, Stuttgart, at the meeting held May 23, 1927. The old corporation has completed the period covered by the original five-year marketing contract and the rice growers are now ready to start delivering under a new contract which includes the crops grown from 1927 to 1935 inclusive.

The general manager of the association in his report to the membership pointed out that the 1926 rice crop was larger than that handled in any previous year. The advance made to members on the 1926 crop amounts to \$2,950,476 to date.

Announcement was made that the association is now purchasing its fourth mill for cleaning rice. Besides its mills the association owns three warehouses at Stuttgart, three at DeWitt, one at Gillett and one at Hickory Ridge. Plans are being made to build warehouses at other points.

The members at the annual meeting decided to have the publication of the association's house organ, the Arkansas Rice News, continued.

(See Agricultural Cooperation, March 15, 1926, page 124, and March 29, 1926, page 146.)

-----0-----

COLORADO BEAN GROWERS TO USE PORTABLE GRADERS

By securing for its members the use of a new portable bean grading machine, the Colorado Bean Growers' Association, Denver, considers that it has taken another step forward. This machine will make possible the processing and sacking of merchantable grades of pinto beans on the farms of the members, thereby eliminating much expense and waste, and enabling the association to establish a reputation for a better product that will command better prices. It is estimated that the portable grader will reduce the handling costs from the present figure of 25 cents per hundred weight to as low as 15 cents or possibly 10 cents. Other anticipated benefits are saving in haulage on dockage and culls, and cleaner beans and improved seeds.

After harvest one of the portable graders will visit each farm where the grower can see his crop cleaned, graded and sacked, and the split and cull beans will be at home where he can use them.

The machine is mounted on an auto truck and has a capacity of about 400 sacks per day. Demonstrations are being conducted in several of the bean-growing sections of the state.

The Colorado Bean Growers' Association has been in existence about 18 months, and has handled one crop. It has a membership of 1,300 and controls about 70,000 acres of pinto beans, with the membership lists growing all the time.

CHICAGO MILK ASSOCIATION STARTS HOUSE ORGAN

"Pure Milk" is a recent addition to the list of house organs of cooperative associations. This one is a four-page sheet, published in Elgin, Ill., as the organ of the Pure Milk Association, Chicago. It is called "a monthly devoted to the dairy interests in the Chicago milk district."

-----0-----

NEW PUBLICATION BY ALBERTA DAIRY ASSOCIATION

"The Cow Bell" is the name of a monthly publication recently started by the management of the Alberta Cooperative Dairy Producers, Ltd., Edmonton, Canada. The paper has 16 pages of three columns each. About half the space is given to information of interest to dairymen and the remainder of the publication is devoted to advertisements. The circulation of the paper is said to be 27,000.

-----0-----

FARM WOMEN ESTABLISHING COOPERATIVE MARKETS

"Cooperative Markets for Farm Home Products," Circular No. 82, Extension Service, Montana State College, tells how the farm women of Montana are establishing their own produce markets where they can dispose of all kinds of surplus commodities. Several markets are described and suggestions are presented for groups wishing to undertake this line of effort. The circular was prepared in cooperation with the U. S. Department of Agriculture.

-----0-----

FIVE YEARS OF COTTON COOPERATIVE MARKETING IN TEXAS

A booklet issued by the Texas Farm Bureau Cotton Association, Dallas, tells of "Five Years of Cotton Cooperative Marketing in Texas." Organized in 1921, without capital, experience or precedent, the association has made a substantial growth and is now rendering service to a large number of cotton growers. A few of the accomplishments mentioned are as follows: In the first five years the association marketed cooperatively 882,446 bales of cotton; it lowered the average insurance rate from \$1.51 the first year to \$0.135 the fifth year; it lowered the operating cost per bale from \$3.71 the first year to \$2.02 the fifth year; it sold cotton in one single year on 360 distinct values; it loaned members, through its subsidiary corporation, \$1,154,237 in production credit and emergency loans in the last two years; it has purchased supplies at wholesale, established group life insurance, and other services.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Bartlett, R. W. Dairymen's Cooperative Sales Plan Fills Present Demands Well. Dairymen's Price Reporter, Pittsburgh, Pa., May, 1927, p. 1.
- Earger, J. Wheeler. Cooperative Markets for Farm Home Products. Circular No. 82. 15 p. Montana State College, Bozeman, Mont., February, 1927.
- Bath, Hon. T. H. Cooperatives Handle 50 Per Cent Marketable Australian Wheat. Western Producer, Saskatoon, Sask., May 26, 1927, p. 6.
- Burnell, C. H. Chairman's Address to International Wheat Pool Conference. Nebraska Wheat Grower, Hastings, May 16, 1927, p. 3.
- Crowther, Samuel. The Canadian Wheat Pool. Country Gentleman, Philadelphia, June, 1927, p. 3.
- Gardiner, James G. Premier Gardiner Lays Pool Plan of Marketing. Wheat Growers' Journal, Wichita, Kans., May 16, 1927, p. 20.
- Davis, C. L. Cooperation Is On the Way. Progressive Farmer, Dallas, Texas, May 21, 1927, p. 554.
- Leadley, Thomas A. Progress of the Wheat Pools. Canada Sets the Pace With More Than Half the Growers and Acreage Under Contract. Nebraska Farmer, Lincoln, May 21, 1927, p. 834.
- McPhail, A. J. Marketing a Group Problem, World-Wide in Scope. Wheat Growers' Journal, Wichita, Kans., May 16, 1927, p. 11.
- Roberts, Clarence. Farmers Do Well With Cooperative Creamery. Oklahoma Farmer-Stockman, Oklahoma City, April, 1927, p. 279.
- Robertson, George W. Possibilities of International Cooperation. The Wheat Grower, Grand Forks, N. D., May 15, 1927, p. 5.
- Sharp, H. C. Pool Elevators Must Follow Five Fundamental Policies. Colorado Wheat Grower, Denver, May, 1927, p. 6.
- Steen, Herman. Pools Half Way to Control of Market. Hoosier Farmer, Indianapolis, May 15, 1927, p. 3.
- Warbasse, James P. People Can Attain Their Rights Through Cooperation. Nebraska Union Farmer, Omaha, May 25, 1927, p. 2.

IN THIS ISSUE

	Page
Education:	
Program for third session of Cooperative Institute.....	217
Fruits and vegetables:	
Colorado melon growers operate economically.....	218
Mutual Orange Distributors building headquarters (Calif.)....	218
California pears advertised with breakfast food.....	218
California association stimulates demand for citrus fruit....	219
British Columbia fruit cooperative advises growers.....	220
Oregon growers specialize in red raspberries.....	220
Grain:	
Equity Union Grain Company increases capital stock (Mo.).....	221
Soviet report to International Wheat Pool Conference.....	221
New elevators and new contracts for Manitoba Wheat Pool.....	221
Dairy products:	
New England cooperative opens new office	222
Orleans Creamery to open branch in Denver.....	222
New association of milk shippers in British Columbia.....	222
Milk association cancels indebtedness (Va.).....	222
Cotton:	
Arkansas Cotton Association adds short-time pools.....	223
Tennessee Cotton Association submits a budget.....	224
Georgia Cotton Association makes final payment.....	224
Livestock:	
Five years of cooperative livestock selling.....	225
Poultry products:	
Twenty-four poultry pools in Ohio.....	227
Turkey marketing association in Colorado.....	227
Poultry association handles feeds extensively (Calif.).....	227
Wool:	
Pacific association sells wool direct to mills (Oreg.).....	228
Steady development reported by English wool growers.....	228
Legal:	
Excess advances may be recovered.....	229
County farm bureau not bound by unauthorized contract.....	231
Rice:	
Arkansas Rice Association starts under new contract.....	233
Beans:	
Colorado Bean Growers to use portable graders.....	233
Publications:	
Chicago milk association starts house organ.....	234
New publication by Alberta dairy association.....	234
Farm women establishing cooperative markets.....	234
Five years of cotton cooperative marketing in Texas.....	234
Selected list of publications and articles.....	235